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The Director of Central Intelligence

Washington, D. C. 20505

MEMORANDUM FOR: Assistant Chief of Staff for Intelligence
Department of the Army

SUBJECT: East-West Technology Transfers

REFERENCE: Your Memorandum dated 24 November 1981

1. I am sorry that you missed the NFIB meeting at which the Special National Intelligence Estimate on Dependence of Soviet Military Power on Economic Relations with the West was discussed but am pleased to receive your comments on the issue of East-West technology transfer.

2. Your remarks concerning the reticence of government and business officials to give early support to the past administration's initiatives on tightening controls and restricting the flow of high technology, are well taken. Our past experience clearly shows the need for a coordinated effort on the part of this administration, the President's personal concern and the support of the business community if we expect to be successful in the strengthening and broadening of export controls within CoCom.

3. I must point out, however, that searching out hard evidence and building a strong case to show the impact that technology transfers have had on Soviet military power has not been a simple task--especially given the difficulty in gaining denied access to Soviet hardware and the complexities introduced by factors such as dual-use technologies. I think we have made gains on this front as evidenced by the SNIE and the recent Summary Report on Technology Transfer to Communist Countries For the Senate Select Committee. Also, nearing publication is a study entitled Soviet Economic Dependence on the West.

4. Whether US initiatives on export controls can be effective in denying militarily important products and technologies to the Soviets depends on the cooperation of our allies. These countries must come to see such initiatives as being in their interests--not only in the security sphere but in the long-term domestic political and economic spheres as well. So that the Community may better focus on this aspect of the issue, I have commissioned a SNIE in support of the discussion on CoCom--this one dealing with the factors which influence Europe and Japan attitudes toward Export Controls in general and our initiatives in particular. The terms of reference for this paper have already been forwarded to you and I look forward to suggestions that you may have.

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5. There is no question that overcoming our allies' reluctance to tighten export controls will be difficult. The Intelligence Community clearly has an important role to play on this matter. We will be providing a great deal of factual and analytical material in support of policy discussions in NATO and CoCom. Also, as a part of the Intelligence Community's effort to support CoCom initiatives, John McMahon and Jan Herring will soon be touring Europe to inform and sensitize select European intelligence services as to the importance of illegal transfers of technology.

6. Regarding your other suggestions, I believe that these should be more fully explored before I can comment on them. They do extend beyond the purview of the Intelligence role but if you would like to discuss them I shall be available for a meeting with you.

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William J. Casey

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